

Page 3

Minutes of 5/5/98

Jepsen Insurance: General Manager Schnabel explained a handout of cost comparisons between Jepsen and ICRMP. The District was overcharged \$12,245.00 over a six-year period between 1992 and 1997. They have no guarantees the District will recover this money. Mike Jepsen's bank accounts and property have been seized.

McLaughlin Heading: General Manager Schnabel presented a map of the McLaughlin heading. It breeched the bank on the northern side and the water went around the rock structure. The heading is dry. We are going to have to remove the point bar and bring the rocks back down and re-rock again to get the water back. Chairman Rothwell said he had talked to Maintenance Manager Gilbert this morning and he said the District's equipment was not adequate to do the job. General Manager Schnabel said that the only excavator in the valley that could do the job was Joe Hughes. Joe's estimate for the job was \$5000.00. Director Aikele moved to fix the heading. Seconded by Vice-chairman Huggins and all were in favor.

Motion to Alter or Amend Special Report: General Manager Schnabel wanted to bring to the Director's attention that a motion was filed against the storage water for Harvey Walker, Jay Jensen and Sunset Trust by the Big Lost River Water Users Association.

UC Canal: Director Ellwein said she had several phone calls and complaints that there was 3500 inches of water going out the UC canal, and that there was no water in James Creek or Spring Creek. The water out of Antelope was suppose to go back to the river. The gates were not open and it going out the UC canal.

Watermaster Rosenkrance said that Antelope crosses the UC and that the gates were open. The overflow was going down the UC canal, and it was only about 1500 inches. Five or six hundred inches are at the head of Spring Creek.

Budget: Director Ellwein said that the Directors arrived at a budget in February, and now that things have changed does any mention of amending the budget need to be made? General Manager Schnabel said that last month they motioned on the class rate change and lost money. The revenue was reset to \$323,000 and they budgeted \$330,000.

Reservoir: General Manager Schnabel updated the Directors with the reservoir reading of 43,230 AF. Director Aikele moved to allocate the storage at 135%. Seconded by Vice-chairman Huggins and all were in favor. There will be a universal shrink on the storage water.

Bobby Nielsen asked for his ditch to be worked on. He called for his water last year and the district could not get it to him. It was his understanding that the water came through the Crowsnest Estates and through the Peck ditch. He has paid full assessments every year and is going to demand his money back. General Manager Schnabel assured him he would get his water this year.

Randy Pehrson asked the Board if the District could supply some rock for the Sutter heading. He said since the district put in the rock structure they